

AB:KCB

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

----- X

UNITED STATES OF AMERICA

- against -

RONG JIANG,

Defendant.

AFFIDAVIT IN SUPPORT OF
REMOVAL TO THE
CENTRAL DISTRICT OF
CALIFORNIA

(Fed R. Crim. P. 5)

No. 19-M-637

----- X

EASTERN DISTRICT OF NEW YORK, SS:

ANTONINO LOGRANDE, being duly sworn, deposes and states that he is a Special Agent with the Drug Enforcement Administration, duly appointed according to law and acting as such.

On or about May 31, 2018, the United States District Court for the Central District of California issued an arrest warrant commanding the arrest of the defendant RONG JIANG in connection with an indictment charging the defendant with conspiracy to launder monetary instruments, in violation of Title 18, United States Code, Section 1956(h).

The source of your deponent's information and the grounds for his belief are as follows:¹

1. On or about May 31, 2018, an arrest warrant was issued by the United States District Court for the Central District of California, commanding the arrest of RONG JIANG in connection with an indictment charging the defendant with conspiracy to launder monetary instruments, in violation of Title 18, United States Code, Section 1956(h). A true and correct copy of the arrest warrant is attached as Exhibit A. A true and correct copy of the indictment is attached as Exhibit B.

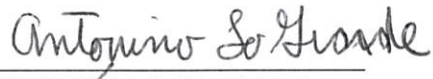
2. The defendant was arrested on or about July 12, 2019, at John F. Kennedy International Airport in Queens, New York. At the time of the defendant RONG JIANG's arrest, he turned over a Canadian passport bearing the name and date of birth of the "Rong Jiang" wanted in the Central District of California.

3. Further, at the time of the defendant RONG JIANG's arrest, I visually identified the defendant as having the same appearance of the "Rong Jiang" wanted in the Central District of California, based on my review of photographs of the "Rong Jiang" wanted in the Central District of California.

4. Based on the foregoing, I believe that the defendant RONG JIANG is the "Rong Jiang" wanted in the Central District of California.

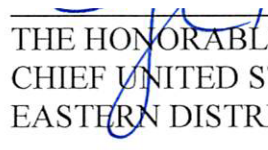
¹ Because the purpose of this affidavit is to set forth only those facts necessary to establish probable cause for removal, I have not described all of the relevant facts and circumstances of which I am aware.

WHEREFORE, your deponent respectfully requests that the defendant RONG JIANG be removed to the Central District of California so that he may be dealt with according to law.


ANTONIO LOGRANDE
Special Agent
Drug Enforcement Administration

Sworn to before me this
12th day of July, 2019

/s/ CLP


THE HONORABLE CHERYL L. POLLAK
CHIEF UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

United States of America

Plaintiff(s)

v.

CASE NUMBER:

CR 18-335-AB

19

RONG JIANG

Defendant(s)

**WARRANT FOR ARREST
UNDER SEAL**

TO: UNITED STATES MARSHAL AND ANY AUTHORIZED UNITED STATES OFFICER

YOU ARE HEREBY COMMANDED to arrest **RONG JIANG**

and bring him/her forthwith to the nearest Magistrate Judge to answer a(n): ☐ Complaint ☒ Indictment
☐ Information ☐ Order of Court ☐ Probation Violation Petition ☐ Violation Notice

Charging him/her with: (ENTER DESCRIPTION OF OFFENSE BELOW)

18 U.S.C. § 1956(h): Conspiracy to Launder Monetary Instrumentsin violation of the following Title, United States Code, Section(s):**SEE ABOVE**Kiry K. Gray

NAME OF ISSUING OFFICER

Clerk of Court

TITLE OF ISSUING OFFICER

Cindy Chellar

SIGNATURE OF DEPUTY CLERK



May 31, 2018 LOS ANGELES, CALIFORNIA
 DATE AND LOCATION OF ISSUANCE

BY: FREDERICK F. MUMM

NAME OF JUDICIAL OFFICER

RETURN

THIS WARRANT WAS RECEIVED AND EXECUTED WITH THE ARREST OF THE ABOVE-NAMED DEFENDANT AT (LOCATION):

DATE RECEIVED

NAME OF ARRESTING OFFICER

DATE OF ARREST

TITLE

 DESCRIPTIVE INFORMATION FOR DEFENDANT
 CONTAINED ON PAGE TWO

SIGNATURE OF ARRESTING OFFICER

WARRANT FOR ARREST

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

United States of America <div style="text-align: center;">v.</div> RONG JIANG <div style="text-align: center;">Defendant(s)</div>	CASE NUMBER: <div style="text-align: center; font-size: 1.2em;">CR 18-335-AB</div> <div style="text-align: right;">19</div> <hr/> <div style="text-align: center;">WARRANT FOR ARREST UNDER SEAL</div>
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ADDITIONAL DEFENDANT INFORMATION

RACE:	SEX:	HEIGHT:	WEIGHT:	HAIR:	EYES:	OTHER:
DATE OF BIRTH: 1985						
SCARS, TATTOOS OR OTHER DISTINGUISHING MARKS:						
AUTO YEAR:	AUTO MAKE:	AUTO MODLE:		AUTO COLOR:	AUTO LICENSE NO.	ISSUING STATE
LAST KNOWN RESIDENCE:				LAST KNOWN EMPLOYMENT		
FBI NUMBER: ADDITIONAL INFORMATION:						
INVESTIGATIVE AGENCY NAME: DEA				INVESTIGATIVE AGENCY ADDRESS:		

NOTES:

WARRANT FOR ARREST

ATTACHMENT B

FILED
2018 MAY 31 PM 5:16
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2017 Grand Jury

18cr00335-AB

I N D I C T M E N T

[21 U.S.C. § 846: Conspiracy to Possess With Intent to Distribute and to Distribute Controlled Substances; 21 U.S.C. § 841(a)(1): Possession With Intent to Distribute and Distribution of Controlled Substances; 18 U.S.C. § 924(c)(1)(A)(i): Possession of a Firearm in Furtherance of a Drug Trafficking Crime; 18 U.S.C. § 922(g)(1): Felon in Possession of a Firearm; 21 U.S.C. § 860(a): Possession with Intent to Distribute Controlled Substances Near Schools; 21 U.S.C. §§ 848(a), (b), (s): Continuing Criminal Enterprise; 18 U.S.C. § 1956(h): Conspiracy to Launder Monetary Instruments; 18 U.S.C. § 1956(a)(1)(B)(i): Laundering of Monetary Instruments; 18 U.S.C. § 2(a): Aiding and Abetting; 21 U.S.C. § 853; 18 U.S.C. § 924(d); 28 U.S.C. § 2461(c); 18 U.S.C. § 982(a)(1): Criminal Forfeiture]

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 JOSE LEONEL PAYAN CASTILLO,
15 aka "LA VAINILLA,"
16 aka "AS D ORO,"
17 aka "OBREIRO,"
18 aka "LA PUMA,"
19 aka "EL PROFETA,"
20 aka "EL AUSENTE,"
21 aka "MEDIADOR,"
22 FNU LNU,
23 aka "RALPHEE,"
24 aka "RODOLFO,"
25 aka "LIC RODOLFO,"
26 aka "MARIANO,"
27 JAIME ARTURO GASTELUM VEGA,
28 aka "GREGORIO,"
29 aka "PASCUAL,"
30 ROGELIO PAYAN PALMA,
31 aka "SANTOS,"
32 GUOHUA LUO,
33 aka "JUANCARO,"
34 aka "JUAN,"
35 aka "JC,"
36 FNU LNU,
37 aka "VIVI,"
38 aka "VIVI,"
39 aka "VIVIVI,"
40 JIAZE XIA,
41 aka "JZ,"
42 aka "Jason,"
43 YICHAO CHEN,
44 MICHAEL ANTHONY TREVINO,
45 SANTANA LEYVA LOPEZ,

1 PIERRE VINCENT FUENTES,
2 REMIGIO ALVAREZ HERRERA,
3 aka "Remigio Herrera,"
4 MARIA IMELDA JAUREGUI,
5 aka "Maria Imelda Garcia,"
6 aka "Mary,"
7 MARCOS TOVAR,
8 aka "Juan Carlos Machado
9 Lares,"
10 aka "Jesus Inzunza Viveros,"
11 ALEJANDRO MEDRANO,
12 JOSE VARGAS,
13 JOSHUA DONOVAN CORTEZ,
14 aka "Blanco,"
15 ISMAEL PARRA VEGA,
16 RONG JIANG,
17 WEI CHANG GONG,
18 aka "Ray Gong,"
19 ALVARO CASILLAS VILLAREAL,
20 JOHN XIAO MING HE,
21 aka "John He"
22 SANTIAGO PENA-SANCHEZ,
23 JIMMY ZHI QIANG YU,
24 aka "Jacky," and
25 JUN ZHANG,

26 Defendants.

27 The Grand Jury charges:

28 COUNT ONE

[21 U.S.C. § 846; 18 U.S.C. § 2(a)]

A. OBJECTS OF THE CONSPIRACY

Beginning on a date unknown and continuing to on or about May 31, 2018, in Los Angeles and San Bernardino Counties, within the Central District of California, and elsewhere, defendants JOSE LEONEL PAYAN CASTILLO, also known as ("aka") "LA VAINILLA," aka "AS D ORO," aka "OBRERO," aka "LA PUMA," aka "EL PROFETA," aka "EL AUSENTE!," aka "MEDIADOR!" ("PAYAN CASTILLO"), First Name Unknown Last Name Unknown ("FNU LNU"), aka "RALPHEE," aka "RODOLFO," aka "LIC RODOLFO," aka "MARIANO" ("RALPHEE"), JAIME ARTURO GASTELUM VEGA, aka "GREGORIO," aka "PASCUAL" ("GASTELUM VEGA"), ROGELIO PAYAN PALMA, aka "SANTOS"

1 ("PAYAN PALMA"), GUOHUA LUO, aka "JUANCARO," aka "JUAN," aka "JC"
2 ("LUO"), FNU LNU, aka "VIVI," aka "VIVIVI" ("VIVI"), MICHAEL ANTHONY
3 TREVINO ("TREVINO"), SANTANA LEYVA LOPEZ ("LEYVA LOPEZ"), PIERRE
4 VINCENT FUENTES ("FUENTES"), REMIGIO ALVAREZ HERRERA, aka "Remigio
5 Herrera" ("HERRERA"), MARIA IMELDA JAUREGUI, aka "Maria Imelda
6 Garcia," aka "Mary" ("JAUREGUI"), MARCOS TOVAR, aka "Juan Carlos
7 Machado Lares," aka "Jesus Inzunza Viveros" ("TOVAR"), ALEJANDRO
8 MEDRANO ("MEDRANO"), JOSE VARGAS ("VARGAS"), JOSHUA DONOVAN CORTEZ,
9 aka "Blanco" ("CORTEZ"), ISMAEL PARRA VEGA ("VEGA"), and SANTIAGO
10 PENA-SANCHEZ ("PENA-SANCHEZ"), and others known and unknown to the
11 Grand Jury, conspired and agreed with each other to knowingly and
12 intentionally commit the following offenses:

13 1. to distribute, and to possess with intent to distribute, at
14 least one kilogram of a mixture and substance containing a detectable
15 amount of heroin, a Schedule I narcotic drug controlled substance, in
16 violation of Title 21, United States Code, Sections 841(a)(1),
17 (b)(1)(A)(i);

18 2. to distribute, and to possess with intent to distribute, at
19 least five kilograms of a mixture and substance containing a
20 detectable amount of cocaine, a Schedule II narcotic drug controlled
21 substance, in violation of Title 21, United States Code, Sections
22 841(a)(1), (b)(1)(A)(ii);

23 3. to distribute, and to possess with intent to distribute, at
24 least 400 grams of a mixture or substance containing a detectable
25 amount of N-phenyl-N [1-(2-phenylethyl)-4-piperidinyl] propanamide
26 ("fentanyl"), in violation of Title 21, United States Code, Sections
27 841(a)(1), (b)(1)(A)(vi); and
28

1 4. to distribute, and to possess with intent to distribute, at
2 least 50 grams of methamphetamine, a Schedule II controlled
3 substance, in violation of Title 21, United States Code, Sections
4 841(a)(1), (b)(1)(A)(viii).

5 B. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE
6 ACCOMPLISHED

7 The objects of the conspiracy were to be accomplished, in
8 substance, as follows:

9 1. Defendants PAYAN CASTILLO, RALPHEE, GASTELUM VEGA, and
10 PAYAN PALMA would ship hundreds of kilograms of cocaine, heroin,
11 methamphetamine, and fentanyl from Mexico to the United States using
12 a network of cross-border drug couriers.

13 2. The drug couriers, including defendant MEDRANO and others
14 known and unknown to the Grand Jury, would transport the controlled
15 substances across the U.S.-Mexico border and into the United States,
16 often via the San Ysidro Port of Entry, by concealing the drugs
17 inside hidden compartments, including hollowed-out speaker boxes.

18 3. To distribute the illegal drugs within the United States,
19 defendants PAYAN CASTILLO, RALPHEE, GASTELUM VEGA, and PAYAN PALMA,
20 using coded electronic communications, would pass cellular telephone
21 numbers used by U.S.-based drug couriers and stash-house operators,
22 along with passwords or code phrases.

23 4. Defendants TREVINO, LEYVA LOPEZ, FUENTES, HERRERA,
24 JAUREGUI, TOVAR, MEDRANO, VARGAS, CORTEZ, VEGA, and PENA-SANCHEZ, and
25 others known and unknown to the Grand Jury, would transport,
26 distribute, and store the controlled substances within the United
27 States, including within the Central District of California.

1 5. To collect, launder, and repatriate the millions of dollars
2 in drug proceeds generated from the sale of these drugs, defendants
3 PAYAN CASTILLO, RALPHEE, GASTELUM VEGA, PAYAN PALMA, LUO, and VIVI,
4 using coded electronic communications, would exchange cellular
5 telephone numbers belonging to money couriers -- including Jiaze Xia,
6 aka "JZ," aka "Jason" ("Xia"), Rong Jiang ("R. Jiang"), Wei Chang
7 Gong, aka "Ray Gong" ("Gong"), Santiago Pena-Sanchez ("Pena-
8 Sanchez"), John Xiao Ming He ("Ming He"), and Jimmy Zhi Qiang Yu, aka
9 "Jacky" ("Yu") -- along with a password or code phrase, and the
10 serial number from paper currency, such as a \$1 bill.

11 6. The use of serial numbers allowed the anonymous money
12 couriers to identify each other when delivering drug proceeds. Paper
13 currency bearing a designated serial number would serve as a receipt,
14 allowing the money couriers to demonstrate to their Mexico-based
15 confederates that drug proceeds had been delivered to the correct
16 recipient. By using encoded electronic communications, passcodes,
17 and serial numbers, and by arranging and conducting cash deliveries
18 involving anonymous couriers in parking lots, on street corners, and
19 in hotel rooms, defendants PAYAN CASTILLO, RALPHEE, GASTELUM VEGA,
20 PAYAN PALMA, LUO, and VIVI sought to conceal the nature, source,
21 ownership, and control of the illegal drug proceeds.

22 7. Defendants LUO and VIVI would supply the courier telephone
23 numbers, passphrases, and currency serial numbers that defendants
24 PAYAN CASTILLO, RALPHEE, GASTELUM VEGA, and PAYAN PALMA used to
25 coordinate drug-proceeds deliveries in the United States, including
26 in New York, Chicago, and Los Angeles. Defendants LUO and VIVI would
27 report to defendants PAYAN CASTILLO, RALPHEE, GASTELUM VEGA, and
28 PAYAN PALMA on the status of these money-laundering operations,

1 including by providing police reports -- often referred to as
2 "receipts" or "documents" - following a law-enforcement seizure to
3 prove that the cash had been seized rather than stolen.

4 8. Defendant LUO would meet with defendants RALPHEE, GASTELUM
5 VEGA, and PAYAN PALMA at restaurants in Mexico City to coordinate
6 money-laundering operations.

7 9. Money couriers, including defendant PENA-SANCHEZ, and Xia,
8 R. Jiang, Gong, Villareal, Yichao Chen ("Chen"), Yu, and Jun Zhang
9 ("Zhang"), and others known and unknown to the Grand Jury, would
10 package, count, store, collect, transport, and deliver hundreds of
11 thousands of dollars in cash drug proceeds.

12 10. Once the drug proceeds had been collected by the U.S.-based
13 money couriers, defendants LUO and VIVI would pay out the equivalent
14 value in pesos to co-conspirators in Mexico and Colombia, less
15 defendants LUO and VIVI's "commission" for laundering the funds.

16 C. OVERT ACTS

17 In furtherance of the conspiracy, and to accomplish the objects
18 of the conspiracy, on or about the following dates, defendants PAYAN
19 CASTILLO, RALPHEE, GASTELUM VEGA, PAYAN PALMA, LUO, VIVI, TREVINO,
20 LEYVA LOPEZ, FUENTES, HERRERA, JAUREGUI, TOVAR, MEDRANO, VARGAS,
21 CORTEZ, VEGA, and PENA-SANCHEZ, and others known and unknown to the
22 Grand Jury, committed various overt acts in Los Angeles and San
23 Bernardino Counties, within the Central District of California, and
24 elsewhere, including, but not limited to, the following:

25 1. On September 3, 2016, using coded language in an electronic
26 communication, defendant PAYAN CASTILLO asked defendant RALPHEE to
27 arrange for a money courier to collect approximately \$300,000 in drug
28 proceeds in New York City.

1 2. On September 5, 2016, using coded language in an electronic
2 communication, defendant RALPHEE sent defendant PAYAN CASTILLO a
3 screen shot of money courier R. Jiang's cellular telephone number,
4 along with a currency serial number, to coordinate the delivery of
5 \$300,000 in drug proceeds in New York City.

6 3. On September 5, 2016, in New York City, money courier R.
7 Jiang, acting on behalf of defendants PAYAN CASTILLO and RALPHEE,
8 retrieved a bag containing approximately \$306,940 in cash drug
9 proceeds.

10 4. On September 7, 2016, using coded language in an electronic
11 communication, defendant PAYAN CASTILLO asked defendant RALPHEE for
12 the cellular telephone number of a U.S.-based courier who could
13 receive an eight-kilogram cocaine shipment, and, in response,
14 defendant RALPHEE provided the cellular telephone number for
15 defendant TREVINO, along with a code phrase ("Mike on behalf of
16 Sobrino").

17 5. On September 7, 2016, in Whittier, California, defendant
18 TREVINO took possession of approximately eight kilograms of cocaine
19 from an unidentified co-conspirator.

20 6. On October 19, 2016, using coded language in electronic
21 communications, defendants LUO and RALPHEE arranged two \$500,000
22 drug-proceeds deliveries in Chicago, with defendant LUO supplying
23 defendant RALPHEE with two sets of cellular telephone numbers --
24 including one used by money courier Gong -- two sets of serial
25 numbers, and two passcodes to coordinate the deliveries.

26 7. On October 19, 2016, using coded language in electronic
27 communications, defendant LUO offered to provide defendant RALPHEE
28 with Mexican pesos equivalent to the value of the U.S.-dollar

1 denominated drug proceeds retrieved in Chicago, at an exchange rate
2 that accounted for defendant LUO's commission for collecting and
3 laundering the drug proceeds.

4 8. On October 27, 2016, using coded language in an electronic
5 communication, defendant RALPHEE sent defendant LUO a cellular
6 telephone number for an Alhambra, California-based money courier,
7 along with a currency serial number and a passcode ("Miss Li"), to
8 coordinate a drug-proceeds delivery in Los Angeles.

9 9. On October 31, 2016, in Chicago, Illinois, money courier
10 Gong, acting on behalf of defendants RALPHEE and LUO, possessed
11 approximately \$492,116 in cash drug proceeds, along with multiple
12 money counters, rubber bands, cell phones, and packaging materials.

13 10. On October 31, 2016, using coded language in electronic
14 communications, defendant LUO reported to defendant RALPHEE that law
15 enforcement had seized the drug proceeds from money courier Gong in
16 Chicago.

17 11. On November 14, 2016, using coded language in an electronic
18 communication, defendant RALPHEE passed to an unidentified co-
19 conspirator a cellular telephone number used by a money courier ("CC
20 #1"), along with a currency serial number and a password, to
21 coordinate a \$450,000 drug-proceeds delivery in New York City.

22 12. On November 14, 2016, in New York City, money courier
23 Villareal delivered to CC #1 a black suitcase containing
24 approximately \$449,794 in drug proceeds.

25 13. On November 23, 2016, using coded language in an electronic
26 communication, defendant GASTELUM VEGA passed a cellular telephone
27 number used by money courier Ming He, along with a currency serial
28

1 number and a code phrase, to coordinate a \$200,000 drug-proceeds
2 delivery in New York City.

3 14. On November 30, 2016, in New York City, money courier Ming
4 He, acting on behalf of defendant GASTELUM VEGA, possessed
5 approximately \$236,250 in cash drug proceeds.

6 15. On November 28, 2016, using coded language in electronic
7 communications, defendant RALPHEE asked defendant LUO for "numbers"
8 to coordinate a drug-proceeds delivery in Los Angeles, and, in
9 response, defendant LUO sent defendant RALPHEE a cellular telephone
10 number used by a money courier, along with a currency serial number
11 and a code phrase ("with Lii").

12 16. On November 28, 2016, in Alhambra, California, money
13 courier Zhang, acting on behalf of defendant RALPHEE, retrieved two
14 bags collectively containing approximately \$386,340 in cash drug
15 proceeds.

16 17. On January 6, 2017, using coded language in electronic
17 communications, defendant RALPHEE and an unidentified co-conspirator
18 discussed a 21-kilogram cocaine delivery in Los Angeles, and
19 defendant RALPHEE obtained from the unidentified co-conspirator a
20 passphrase and a cellular telephone number for defendant HERRERA.

21 18. On January 7, 2017, in Maywood, California, defendant
22 HERRERA possessed approximately 21 kilograms of cocaine.

23 19. On January 17, 2017, using coded language in electronic
24 communications, defendant GASTELUM-VEGA passed to an unidentified co-
25 conspirator a cellular telephone number used by money courier Xia,
26 along with two currency serial numbers and a password, to coordinate
27 drug-proceeds deliveries of \$200,000 each in Boston and New York
28 City.

1 20. On January 18, 2017, in New York City, in a Red Roof Inn
2 motel room, money couriers Xia and Chen, acting on behalf of
3 defendant GASTELUM VEGA, possessed approximately \$436,000 in bundled
4 drug proceeds, a money counter, rubber bands, packaging material, and
5 heat-seal bags.

6 21. On January 18, 2017, using coded language in electronic
7 communications, defendant RALPHEE and an unidentified co-conspirator
8 discussed a pending 10-kilogram cocaine delivery to "Mary" involving
9 cocaine bricks branded with a Nazi insignia, with RALPHEE providing
10 the unidentified co-conspirator with the cellular telephone number
11 for defendant JAUREGUI, along with the code phrase, "with Mary from
12 Fatboy."

13 22. On January 19, 2017, in Los Angeles, California, defendant
14 JAUREGUI possessed approximately 6,218.5 grams of cocaine, including
15 at least one cocaine brick marked with a "Nazi" insignia.

16 23. On January 27, 2017, using coded language in electronic
17 communications, defendant RALPHEE asked an unidentified co-
18 conspirator for a cellular telephone number belonging to a courier
19 who could receive a drug shipment that had crossed the U.S.-Mexico
20 border earlier that morning, and, in response, the unidentified co-
21 conspirator supplied a code phrase and the cellular telephone number
22 for defendant TOVAR.

23 24. On January 27, 2017, in Ontario, California, defendant
24 MEDRANO, after crossing the U.S.-Mexico border earlier that morning,
25 delivered a duffel bag to defendant TOVAR that contained
26 approximately 20 kilograms of fentanyl.

1 25. On January 27, 2017, in Ontario, California, defendant
2 TOVAR possessed an additional 1,637 grams of fentanyl and 6,144 grams
3 of methamphetamine.

4 26. On January 27, 2017, in Ontario, California, defendant
5 TOVAR possessed an SWD model M-11 9mm caliber semiautomatic pistol
6 and an AR-type 5.56mm caliber semiautomatic pistol.

7 27. On January 30, 2017, using coded language in electronic
8 communications, defendant VIVI provided defendant GASTELUM VEGA a
9 phone number, currency serial number, and password to coordinate a
10 \$255,000 drug-proceeds delivery in New York City, and defendant
11 GASTELUM VEGA asked that defendant VIVI notify him once the drug-
12 proceeds delivery had been completed.

13 28. On January 30, 2017, using coded language in electronic
14 communications, defendant VIVI sent defendant GASTELUM VEGA a screen
15 shot depicting a handwritten list of currency denominations and
16 amounts totaling \$252,310, along with a picture of a \$10 bill, and
17 defendant GASTELUM VEGA directed defendant VIVI to pay him in Mexican
18 pesos, at 20.50 Mexican pesos per U.S. dollar, in Mexico City

19 29. On February 1, 2017, in South Gate, California, defendant
20 MEDRANO and an unidentified co-conspirator delivered a duffel bag
21 containing approximately 60 kilograms of cocaine to defendant VARGAS
22 at the "Su Casa Furniture" store.

23 30. On February 1, 2017, in South Gate, California, defendant
24 VARGAS possessed approximately 60 kilograms of cocaine.

25 31. On February 2, 2017, using coded language in electronic
26 communications, defendants GASTELUM VEGA and VIVI, and an
27 unidentified co-conspirator, arranged a \$550,000 drug-proceeds
28 delivery to a money courier at the Comfort Inn hotel in Des Plaines,

1 Illinois, with the unidentified co-conspirator providing defendant
2 GASTELUM VEGA with defendant PENA-SANCHEZ's cellular telephone
3 number.

4 32. On February 3, 2017, in Chicago, Illinois, defendant PENA-
5 SANCHEZ, acting on behalf of defendant GASTELUM VEGA, attempted to
6 deliver a red suitcase containing \$550,978 in cellophane-wrapped drug
7 proceeds.

8 33. On February 3, 2017, in Chicago, Illinois, defendant PENA-
9 SANCHEZ possessed approximately 24.06 kilograms of cocaine, along
10 with a digital scale, a drug ledger, and drug-proceeds packaging
11 material.

12 34. On February 11, 2017, in Huntington Park, California, in a
13 parking lot outside the "Self Made" barbershop, defendant MEDRANO
14 delivered to defendant CORTEZ a large speaker box containing
15 approximately 34.9 kilograms of cocaine.

16 35. On February 11, 2017, in Bell, California, defendant CORTEZ
17 possessed approximately 275 kilograms of cocaine.

18 36. On February 23, 2017, using coded language in electronic
19 communications, defendant PAYAN CASTILLO requested and obtained the
20 cellular telephone number for co-conspirator Isaac Melero Rivera
21 ("Rivera") to coordinate a cross-border shipment of cocaine.

22 37. On February 28, 2017, in Hesperia, California, co-
23 conspirator Rivera, acting on behalf of defendant PAYAN CASTILLO, and
24 others, possessed approximately 1,003.4 grams of cocaine and 1,349.1
25 grams of methamphetamine.

26 38. On April 10, 2017, using coded language in electronic
27 communications, defendant GASTELUM VEGA sent defendant PAYAN PALMA a
28 password, currency serial number, and a cellular telephone number for

1 money courier Yu, all of which had originally been supplied to
2 defendant GASTELUM VEGA by defendant LUO, to coordinate a \$301,000
3 drug-proceeds delivery in Los Angeles.

4 39. On April 10, 2017, in Los Angeles, California, in a Home
5 Depot parking lot, money courier Yu, acting on behalf of defendants
6 GASTELUM VEGA, PAYAN PALMA, and LUO, possessed approximately \$301,000
7 in bundled cash drug proceeds and, upon his arrest, asked the
8 arresting officers for a "receipt."

9 40. On April 11, 2017, using coded language in electronic
10 communications, defendant LUO reported to defendant GASTELUM VEGA
11 that law enforcement had seized the \$301,000 delivered to money
12 courier Yu.

13 41. On April 11, 2017, using coded language in electronic
14 communications, defendant GASTELUM VEGA told defendant PAYAN PALMA
15 that law enforcement in Los Angeles had seized the \$301,000 delivered
16 to Yu and that defendant PAYAN PALMA should "throw away" his phones
17 and relocate his drugs and drug proceeds.

18 42. On April 11, 2017, using coded language in electronic
19 communications, defendant GASTELUM VEGA told defendant PAYAN PALMA to
20 warn the courier who had delivered the \$301,000 to Yu in Los Angeles
21 to "be careful," and defendant PAYAN PALMA responded that he hoped to
22 receive a "document" soon that proved law enforcement had seized the
23 funds.

24 43. On April 12, 2017, in Mexico City, defendants GASTELUM
25 VEGA, PAYAN PALMA, and LUO met to discuss the \$301,000 in drug
26 proceeds seized in Los Angeles.

27 44. On April 25, 2017, using coded language in electronic
28 communications, defendant PAYAN PALMA told defendant GASTELUM VEGA

1 that he believed law enforcement had been targeting the Chinese money
2 couriers in a large-scale money-laundering investigation and
3 suggested that the Chinese money couriers contest law enforcement's
4 forfeiture of the \$301,000 seized in Los Angeles so they could learn
5 more about the investigation.

6 45. On April 25, 2017, using coded language in electronic
7 communications, defendants PAYAN PALMA and GASTELUM VEGA discussed
8 using encrypted phones in the future to avoid law-enforcement
9 detection.

10 46. On April 27, 2017, in Mexico City, defendants GASTELUM
11 VEGA, PAYAN PALMA, and LUO, and others known and unknown to the Grand
12 Jury, met to discuss the \$301,000 in drug proceeds seized in Los
13 Angeles.

14 47. On April 28, 2017, using coded language in electronic
15 communications, defendant GASTELUM VEGA told defendant LUO to change
16 residences, switch phones, and re-register his vehicles right away
17 because "there is an investigation."

18 48. On April 28, 2017, using coded language in an electronic
19 communication, defendant PAYAN CASTILLO sent the cellular telephone
20 number for defendant LEYVA LOPEZ, along with a code phrase, to an
21 unidentified co-conspirator to coordinate a methamphetamine delivery.

22 49. On April 29, 2017, in West Covina, California, defendant
23 FUENTES delivered to defendant LEYVA LOPEZ approximately 9.65
24 kilograms of methamphetamine.

25 50. On June 6, 2017, using coded language in an electronic
26 communication, defendant PAYAN CASTILLO sent a code phrase and the
27 cellular telephone number for defendant VEGA to an unidentified co-
28 conspirator to coordinate a drug delivery.

1 51. On June 7, 2017, in Sun Valley, California, defendant VEGA
2 took possession of a suitcase containing approximately 11 kilograms
3 of fentanyl.

4 52. On June 7, 2017, in Sun Valley, California, defendant VEGA
5 possessed at his storage unit an additional approximately 26.98
6 kilograms of fentanyl and approximately 5.96 kilograms of heroin.

COUNT TWO

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii); 18 U.S.C. § 2(a)]

On or about September 7, 2016, in Los Angeles County, within the Central District of California, and elsewhere, defendants JOSE LEONEL PAYAN CASTILLO, also known as ("aka") "LA VAINILLA," aka "AS D ORO," aka "OBRERO," aka "LA PUMA," aka "EL PROFETA," aka "EL AUSENTE!," aka "MEDIADOR!," First Name Unknown Last Name Unknown ("FNU LNU"), aka "RALPHEE," aka "RODOLFO," aka "LIC RODOLFO," aka "MARIANO," and MICHAEL ANTHONY TREVINO, each aiding and abetting the other, knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 7.87 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance.

COUNT THREE

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii); 18 U.S.C. § 2(a)]

On or about January 7, 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendants First Name Unknown Last Name Unknown ("FNU LNU"), aka "RALPHEE," aka "RODOLFO," aka "LIC RODOLFO," aka "MARIANO," and REMIGIO ALVAREZ HERRERA, aka "Remigio Herrera," and others known and unknown to the Grand Jury, each aiding and abetting the other, knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 20.06 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance.

COUNT FOUR

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii); 18 U.S.C. § 2(a)]

On or about January 19, 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendants First Name Unknown Last Name Unknown ("FNU LNU"), also known as ("aka") "RALPHEE," aka "RODOLFO," aka "LIC RODOLFO," aka "MARIANO," and MARIA IMELDA JAUREGUI, aka "Maria Imelda Garcia," aka "Mary," and others known and unknown to the Grand Jury, each aiding and abetting the other, knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 6,218.5 grams, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance.

COUNT FIVE

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(iii)]

On or about January 19, 2017, in Los Angeles County, within the Central District of California, defendant MARIA IMELDA JAUREGUI, also known as ("aka") "Maria Imelda Garcia," aka "Mary," knowingly and intentionally possessed with intent to distribute at least 280 grams, that is, approximately 371.27 grams, of a mixture and substance containing a detectable amount of cocaine base, a Schedule II narcotic drug controlled substance.

COUNT SIX

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(vi); 18 U.S.C. § 2(a)]

On or about January 27, 2017, in San Bernardino County, within the Central District of California, and elsewhere, defendants First Name Unknown Last Name Unknown ("FNU LNU"), aka "RALPHEE," aka "RODOLFO," aka "LIC RODOLFO," aka "MARIANO," MARCOS TOVAR, aka "Juan Carlos Machado Lares," aka "Jesus Inzunza Viveros," and ALEJANDRO MEDRANO, and others known and unknown to the Grand Jury, each aiding and abetting the other, knowingly and intentionally possessed with intent to distribute at least 400 grams, that is, approximately 20.05 kilograms, of a mixture and substance containing a detectable amount of N-phenyl-N [1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"), a Schedule II narcotic drug controlled substance.

COUNT SEVEN

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(vi)]

On or about January 27, 2017, in San Bernardino County, within the Central District of California, defendant MARCOS TOVAR, also known as ("aka") "Juan Carlos Machado Lares," aka "Jesus Inzunza Viveros," knowingly and intentionally possessed with intent to distribute at least 400 grams, that is, approximately 1,637 grams, of a mixture and substance containing a detectable amount of N-phenyl-N [1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"), a Schedule II narcotic drug controlled substance.

COUNT EIGHT

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(viii)]

On or about January 27, 2017, in San Bernardino County, within the Central District of California, defendant MARCOS TOVAR, also known as ("aka") "Juan Carlos Machado Lares," aka "Jesus Inzunza Viveros," knowingly and intentionally possessed with intent to distribute at least 50 grams, that is, approximately 5,836.8 grams, of methamphetamine, a Schedule II controlled substance.

COUNT NINE

[18 U.S.C. § 924(c)(1)(A)(i)]

On or about January 27, 2017, in San Bernardino County, within the Central District of California, defendant MARCOS TOVAR, also known as ("aka") "Juan Carlos Machado Lares," aka "Jesus Inzunza Viveros," knowingly possessed firearms, namely, an SWD model M-11, 9mm caliber semiautomatic pistol bearing serial number 89-0020304, and an AR-type 5.56mm caliber semiautomatic pistol devoid of serial numbers or manufacturer markings, in furtherance of a drug trafficking crime, namely, possession with intent to distribute fentanyl, in violation of Title 21, United States Code, Sections 841(a)(1), (b)(1)(A)(vi), as charged in Count Seven of this Indictment, and possession with intent to distribute methamphetamine, in violation of Title 21, United States Code, Sections 841(a)(1), (b)(1)(A)(viii), as charged in Count Eight of this Indictment.

COUNT TEN

[18 U.S.C. § 922(g)(1)]

On or about January 27, 2017, in San Bernardino County, within the Central District of California, defendant MARCOS TOVAR, also known as ("aka") "Juan Carlos Machado Lares," aka "Jesus Inzunza Viveros" ("TOVAR"), knowingly possessed firearms, namely, an SWD model M-11, 9mm caliber semiautomatic pistol bearing serial number 89-0020304, and an AR-type 5.56mm caliber semiautomatic pistol devoid of serial numbers or manufacturer markings, in and affecting interstate and foreign commerce.

Such possession occurred after defendant TOVAR had been convicted of a felony crime punishable by a term of imprisonment exceeding one year, namely, transportation or sale of a controlled substance, to wit, methamphetamine, in violation of California Health & Safety Code Section 11379(a), in the Superior Court of California, County of San Bernardino, case number FVA1302057, on or about September 3, 2014.

COUNT ELEVEN

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii)]

On or about February 1, 2017, in Los Angeles County, within the Central District of California, defendant JOSE VARGAS knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 60 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance.

COUNT TWELVE

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii)]

On or about February 11, 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendant ALEJANDRO MEDRANO knowingly and intentionally distributed at least five kilograms, that is, approximately 34.9 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance.

COUNT THIRTEEN

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii)]

On or about February 11, 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendant JOSHUA DONOVAN CORTEZ, also known as "Blanco," knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 34.9 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance.

COUNT FOURTEEN

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii)]

On or about February 11, 2017, in Los Angeles County, within the Central District of California, defendant JOSHUA DONOVAN CORTEZ, also known as "Blanco," knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 240 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance.

COUNT FIFTEEN

[21 U.S.C. § 860(a)]

On or about February 11, 2017, in Los Angeles County, within the Central District of California, defendant JOSHUA DONOVAN CORTEZ, also known as "Blanco," knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 240 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1), (b)(1)(A)(ii), within 1,000 feet of the real property comprising a public high school, namely, Bell High School, located at 4328 Bell Avenue, Bell, California 90201.

COUNT SIXTEEN

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(viii); 18 U.S.C. § 2(a)]

On or about April 29, 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendants JOSE LEONEL PAYAN CASTILLO, also known as ("aka") "LA VAINILLA," aka "AS D ORO," aka "OBRERO," aka "LA PUMA," aka "EL PROFETA," aka "EL AUSENTE!," aka "MEDIADOR!," and SANTANA LEYVA LOPEZ, and others known and unknown to the Grand Jury, each aiding and abetting the other, knowingly and intentionally possessed with intent to distribute at least 50 grams, that is, approximately 9.65 kilograms, of methamphetamine, a Schedule II controlled substance.

COUNT SEVENTEEN

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(viii); 18 U.S.C. § 2(a)]

On or about April 29, 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendants JOSE LEONEL PAYAN CASTILLO, also known as ("aka") "LA VAINILLA," aka "AS D ORO," aka "OBRERO," aka "LA PUMA," aka "EL PROFETA," aka "EL AUSENTE!," aka "MEDIADOR!," and PIERRE VINCENT FUENTES, and others known and unknown to the Grand Jury, each aiding and abetting the other, knowingly and intentionally distributed at least 50 grams, that is, approximately 9.65 kilograms, of methamphetamine, a Schedule II controlled substance.

COUNT EIGHTEEN .

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(vi); 18 U.S.C. § 2(a)]

On or about June 8, 2017, in Los Angeles County, within the Central District of California, and elsewhere, defendants JOSE LEONEL PAYAN CASTILLO, also known as ("aka") "LA VAINILLA," aka "AS D ORO," aka "OBRERO," aka "LA PUMA," aka "EL PROFETA," aka "EL AUSENTE!," aka "MEDIADOR!," and others known and unknown to the Grand Jury, each aiding and abetting the other, knowingly and intentionally distributed at least 400 grams, that is, approximately 11.03 kilograms, of a mixture and substance containing a detectable amount of N-phenyl-N [1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"), a Schedule II narcotic drug controlled substance.

COUNT NINETEEN

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(vi)]

On or about June 8, 2017, in Los Angeles County, within the Central District of California, defendant ISMAEL PARRA VEGA knowingly and intentionally possessed with intent to distribute at least 400 grams, that is, approximately 11.03 kilograms, of a mixture and substance containing a detectable amount of N-phenyl-N [1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"), a Schedule II narcotic drug controlled substance.

COUNT TWENTY

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(vi)]

On or about June 8, 2017, in Los Angeles County, within the Central District of California, defendant ISMAEL PARRA VEGA knowingly and intentionally possessed with intent to distribute at least 400 grams, that is, approximately 26.98 kilograms, of a mixture and substance containing a detectable amount of N-phenyl-N [1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"), a Schedule II narcotic drug controlled substance.

COUNT TWENTY-ONE

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(i)]

On or about June 7, 2017, in Los Angeles County, within the Central District of California, defendant ISMAEL PARRA VEGA knowingly and intentionally possessed with intent to distribute at least one kilogram, that is, approximately 5.96 kilograms, of a mixture and substance containing a detectable amount of heroin, a Schedule I narcotic drug controlled substance.

COUNT TWENTY-TWO

[21 U.S.C. §§ 848(a), (b), (s)]

Beginning on an unknown date, and continuing to on or about March 23, 2018, in Los Angeles County, within the Central District of California, and elsewhere, defendant JOSE LEONEL PAYAN CASTILLO, also known as ("aka") "LA VAINILLA," aka "AS D ORO," aka "OBRERO," aka "LA PUMA," aka "EL PROFETA," aka "EL AUSENTE!," aka "MEDIADOR!" ("PAYAN CASTILLO"), engaged in a continuing criminal enterprise in that defendant PAYAN CASTILLO knowingly and intentionally violated Title 21, United States Code, Sections 841(a)(1) and 846, by committing violations, including, but not limited to, the felony violations alleged in Counts One, Two, Sixteen, Seventeen, and Eighteen, which Counts are re-alleged and incorporated herein by reference as if fully set forth in this Count, all of which violations were part of a continuing series of felony violations of subchapters I and II of Title 21 of the United States Code, undertaken by defendant PAYAN CASTILLO in concert with at least five other persons with respect to whom defendant PAYAN CASTILLO occupied a position of organizer, supervisor, and manager, and from which continuing series of violations defendant PAYAN CASTILLO obtained substantial income and resources.

Furthermore, defendant PAYAN CASTILLO was a principal administrator, organizer, and leader of the criminal enterprise, which involved the possession with intent to distribute and distribution of at least 12 kilograms of N-phenyl-N [1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"), a Schedule II narcotic drug controlled substance, and one kilogram of methamphetamine, a Schedule II controlled substance.

COUNT TWENTY-THREE

[18 U.S.C. § 1956(h)]

A. OBJECT OF THE CONSPIRACY

Beginning on a date unknown and continuing until on or about May 31, 2018, in Los Angeles County, within the Central District of California, and elsewhere, defendants JOSE LEONEL PAYAN CASTILLO, also known as ("aka") "LA VAINILLA," aka "AS D ORO," aka "OBRERO," aka "LA PUMA," aka "EL PROFETA," aka "EL AUSENTE!," aka "MEDIADOR!" ("PAYAN CASTILLO"), First Name Unknown Last Name Unknown ("FNU LNU"), aka "RALPHEE," aka "RODOLFO," aka "LIC RODOLFO," aka "MARIANO" ("RALPHEE") JAIME ARTURO GASTELUM VEGA, aka "GREGORIO," aka "PASCUAL" ("GASTELUM VEGA"), ROGELIO PAYAN PALMA, aka "SANTOS" ("PAYAN PALMA"), GUOHUA LUO, aka "JUANCARO," aka "JUAN," aka "JC" ("LUO"), FNU LNU, aka "VIVI," aka "VIVIVI" ("VIVI"), JIAZE XIA, aka "JZ," aka "Jason" ("XIA"), YICHAO CHEN ("CHEN"), RONG JIANG ("R. JIANG"), WEI CHANG GONG, aka "Ray Gong" ("GONG"), ALVARO CASILLAS VILLAREAL ("VILLAREAL"), JOHN XIAO MING HE, aka "John He" ("MING HE"), SANTIAGO PENA-SANCHEZ ("PENA-SANCHEZ"), JIMMY ZHI QIANG YU, aka "Jacky" ("YU"), and JUN ZHANG ("ZHANG"), and others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly conduct and attempt to conduct financial transactions, affecting interstate and foreign commerce, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and which property was, in fact, the proceeds of specified unlawful activity, namely, conspiracy to distribute controlled substances, in violation of Title 21, United States Code, Section 846, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the

1 source, the ownership, and the control of the proceeds of specified
2 unlawful activity, in violation of Title 18, United States Code,
3 Section 1956(a)(1)(B)(i).

4 B. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE
5 ACCOMPLISHED

6 The Grand Jury re-alleges and incorporates by reference as
7 through fully set forth herein the allegations in paragraphs 1 and 5
8 through 10 of Section B of Count One of this Indictment.

9 C. OVERT ACTS

10 In furtherance of the conspiracy, and to accomplish the object
11 of the conspiracy, on or about the following dates, defendants PAYAN
12 CASTILLO, RALPHEE, GASTELUM VEGA, PAYAN PALMA, LUO, VIVI, XIA, CHEN,
13 R. JIANG, GONG, VILLAREAL, MING HE, PENAS-SANCHEZ, YU, and ZHANG, and
14 others known and unknown to the Grand Jury, committed various overt
15 acts in Los Angeles County, within the Central District of
16 California, and elsewhere, including, but not limited to, the
17 following:

18 1. On September 3, 2016, using coded language in an electronic
19 communication, defendant PAYAN CASTILLO asked defendant RALPHEE to
20 arrange for a money courier to collect approximately \$300,000 in drug
21 proceeds in New York City.

22 2. On September 5, 2016, using coded language in an electronic
23 communication, defendant RALPHEE sent defendant PAYAN CASTILLO a
24 screen shot of defendant R. JIANG's cellular telephone number, along
25 with a currency serial number, to coordinate the delivery of \$300,000
26 in drug proceeds in New York City.

1 3. On September 5, 2016, in New York City, defendant R. JIANG
2 retrieved a bag containing approximately \$306,940 in cash drug
3 proceeds.

4 4. On October 19, 2016, using coded language in electronic
5 communications, defendants LUO and RALPHEE arranged two \$500,000
6 drug-proceeds deliveries in Chicago, with defendant LUO supplying
7 defendant RALPHEE with two sets of cellular telephone numbers,
8 including one used by defendant GONG, two sets of serial numbers, and
9 two passcodes to coordinate the deliveries.

10 5. On October 19, 2016, using coded language in electronic
11 communications, defendant LUO offered to provide defendant RALPHEE
12 with Mexican pesos equivalent to the value of the U.S.-dollar
13 denominated drug proceeds retrieved in Chicago, at an exchange rate
14 that accounted for defendant LUO's commission for collecting and
15 laundering the drug proceeds.

16 6. On October 27, 2016, using coded language in an electronic
17 communication, defendant RALPHEE sent defendant LUO a cellular
18 telephone number for an Alhambra, California-based money courier,
19 along with a currency serial number and a passcode ("Miss Li"), to
20 coordinate a drug-proceeds delivery in Los Angeles.

21 7. On October 31, 2016, in Chicago, Illinois, defendant GONG
22 possessed approximately \$492,116 in cash drug proceeds, along with
23 multiple money counters, rubber bands, cell phones, and packaging
24 materials.

25 8. On October 31, 2016, using coded language in electronic
26 communications, defendant LUO reported to defendant RALPHEE that law
27 enforcement had seized the drug proceeds from defendant GONG in
28 Chicago.

1 9. On November 14, 2016, using coded language in an electronic
2 communication, defendant RALPHEE passed to an unidentified co-
3 conspirator a cellular telephone number used by a money courier ("CC
4 #1"), along with a currency serial number and a password, to
5 coordinate a \$450,000 drug-proceeds delivery in New York City.

6 10. On November 14, 2016, in New York City, defendant VILLAREAL
7 delivered to CC #1 a black suitcase containing approximately \$449,794
8 in drug proceeds.

9 11. On November 23, 2016, using coded language in an electronic
10 communication, defendant GASTELUM VEGA passed a cellular telephone
11 number used by defendant MING HE, along with a currency serial number
12 and a code phrase, to coordinate a \$200,000 drug-proceeds delivery in
13 New York City.

14 12. On November 30, 2016, in New York City, defendant MING HE
15 possessed approximately \$236,250 in cash drug proceeds.

16 13. On November 28, 2016, using coded language in electronic
17 communications, defendant RALPHEE asked defendant LUO for "numbers"
18 to coordinate a drug-proceeds delivery in Los Angeles and, in
19 response, defendant LUO sent defendant RALPHEE a cellular telephone
20 number used by a money courier, along with a currency serial number
21 and a code phrase ("with Lii").

22 14. On November 28, 2016, in Alhambra, California, defendant
23 ZHANG retrieved two bags collectively containing approximately
24 \$386,340 in cash drug proceeds.

25 15. On January 17, 2017, using coded language in electronic
26 communications, defendant GASTELUM-VEGA passed to an unidentified co-
27 conspirator a cellular telephone number used by defendant XIA, along
28

1 with two currency serial numbers and a password, to coordinate drug-
2 proceeds deliveries of \$200,000 each in Boston and New York City.

3 16. On January 18, 2017, in New York City, in a Red Roof Inn
4 motel room, defendants XIA and CHEN possessed approximately \$436,000
5 in bundled drug proceeds, a money counter, rubber bands, packaging
6 material, and heat-seal bags.

7 17. On January 30, 2017, using coded language in electronic
8 communications, defendant VIVI provided defendant GASTELUM VEGA a
9 phone number, currency serial number, and password to coordinate a
10 \$255,000 drug-proceeds delivery in New York City, and defendant
11 GASTELUM VEGA asked that defendant VIVI notify him once the drug-
12 proceeds delivery had been completed.

13 18. On January 30, 2017, using coded language in electronic
14 communications, defendant VIVI sent defendant GASTELUM VEGA a screen
15 shot depicting a handwritten list of currency denominations and
16 amounts totaling \$252,310, along with a picture of a \$10 bill, and
17 defendant GASTELUM VEGA directed defendant VIVI to pay him in Mexican
18 pesos, at 20.50 Mexican pesos per U.S. dollar, in Mexico City.

19 19. On February 2, 2017, using coded language in electronic
20 communications, defendants GASTELUM VEGA and VIVI, and an
21 unidentified co-conspirator, arranged a \$550,000 drug-proceeds
22 delivery to a money courier at the Comfort Inn hotel in Des Plaines,
23 Illinois, with the unidentified co-conspirator providing defendant
24 GASTELUM VEGA with defendant PENA-SANCHEZ's cellular telephone
25 number.

26 20. On February 3, 2017, in Chicago, Illinois, defendant PENA-
27 SANCHEZ attempted to deliver a red suitcase containing \$550,978 in
28 cellophane-wrapped drug proceeds.

1 21. On April 10, 2017, using coded language in electronic
2 communications, defendant GASTELUM VEGA sent defendant PAYAN PALMA a
3 password, currency serial number, and a cellular telephone number for
4 defendant YU, all of which had originally been supplied to defendant
5 GASTELUM VEGA by defendant LUO, to coordinate a \$301,000 drug-
6 proceeds delivery in Los Angeles.

7 22. On April 10, 2017, in Los Angeles, California, in a Home
8 Depot parking lot, defendant YU possessed approximately \$301,000 in
9 bundled cash drug proceeds and, upon his arrest, asked the arresting
10 officers for a "receipt."

11 23. On April 11, 2017, using coded language in electronic
12 communications, defendant LUO reported to defendant GASTELUM VEGA
13 that law enforcement had seized the \$301,000 delivered to defendant
14 YU.

15 24. On April 11, 2017, using coded language in electronic
16 communications, defendant GASTELUM VEGA told defendant PAYAN PALMA
17 that law enforcement in Los Angeles had seized the \$301,000 delivered
18 to defendant YU and that defendant PAYAN PALMA should "throw away"
19 his phones and relocate his drugs and drug proceeds.

20 25. On April 11, 2017, using coded language in electronic
21 communications, defendant GASTELUM VEGA told defendant PAYAN PALMA to
22 warn the courier who had delivered the \$301,000 to defendant YU in
23 Los Angeles to "be careful," and defendant PAYAN PALMA responded that
24 he hoped to receive a "document" soon that proved law enforcement had
25 seized the funds.

26 26. On April 12, 2017, in Mexico City, defendants GASTELUM
27 VEGA, PAYAN PALMA, and LUO met to discuss the \$301,000 in drug
28 proceeds seized in Los Angeles.

1 27. On April 25, 2017, using coded language in electronic
2 communications, defendant PAYAN PALMA told defendant GASTELUM VEGA
3 that he believed law enforcement had been targeting the Chinese money
4 couriers in a large-scale money-laundering investigation and
5 suggested that the Chinese money couriers contest law enforcement's
6 forfeiture of the \$301,000 seized in Los Angeles so they could learn
7 more about the investigation.

8 28. On April 25, 2017, using coded language in electronic
9 communications, defendants PAYAN PALMA and GASTELUM VEGA discussed
10 using encrypted phones in the future to avoid law-enforcement
11 detection.

12 29. On April 27, 2017, in Mexico City, defendants GASTELUM
13 VEGA, PAYAN PALMA, and LUO, and others known and unknown to the Grand
14 Jury, met to discuss the \$301,000 in drug proceeds seized in Los
15 Angeles.

16 30. On April 28, 2017, using coded language in electronic
17 communications, defendant GASTELUM VEGA told defendant LUO to change
18 residences, switch phones, and re-register his vehicles right away
19 because "there is an investigation."
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COUNT TWENTY-FOUR

[18 U.S.C. § 1956(a)(1)(B)(i); 18 U.S.C. § 2(a)]

On or about April 10, 2017, in Los Angeles California, within the Central District of California, and elsewhere, defendants JAIME ARTURO GASTELUM VEGA, aka "GREGORIO," aka "PASCUAL" ("GASTELUM VEGA") ROGELIO PAYAN PALMA, aka "SANTOS" ("PAYAN PALMA"), GUOHUA LUO, aka "JUANCARO," aka "JUAN," aka "JC" ("LUO"), and JIMMY ZHI QIANG YU, aka "Jacky" ("YU"), and others known and unknown to the Grand Jury, each aiding and abetting the other, conducted a financial transaction affecting interstate and foreign commerce, knowing that the property involved in such transaction represented the proceeds of some form of unlawful activity, and which property was, in fact, the proceeds of specified unlawful activity, namely, conspiracy to distribute controlled substances, in violation of Title 21, United States Code, Section 846, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of such proceeds.

Specifically, on or about April 10, 2017, defendants GASTELUM VEGA, PAYAN PALMA, LUO, and YU arranged for an unidentified co-conspirator to deliver to defendant YU a bag containing approximately \$301,000 in cash drug proceeds at a Home Depot parking lot in Los Angeles, in a manner designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of such proceeds.

FORFEITURE ALLEGATION ONE

[21 U.S.C. § 853]

1. Pursuant to Federal Rule of Criminal Procedure 32.2, notice is hereby given that the United States will seek forfeiture as part of any sentence in accordance with Title 21, United States Code, Section 853, in the event of any defendant's conviction under any of Counts One through Eight and Eleven through Twenty-Two of this Indictment.

2. Each defendant so convicted shall forfeit to the United States the following:

a. All right, title, and interest in any and all property, real or personal (i) constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of any such offense; or (ii) used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, any such offense including, but not limited to:

i. \$386,340.00 in U.S. Currency seized by law enforcement from Jun Zhang on November 28, 2016;

ii. \$8,170.00 in U.S. Currency seized by law enforcement during the execution of a search warrant at a residence in Alhambra, California, on November 28, 2016;

iii. one 2014 Mercedes Benz E350 seized by law enforcement from Jun Zhang on November 28, 2016; and

b. To the extent any such property is not available for forfeiture, a sum of money equal to the total value of the property described in paragraph 2.a.

3. Pursuant to Title 21, United States Code, Section 853(p), each defendant so convicted shall forfeit substitute property, up to

1 the total value of the property described in paragraph 2 if, as the
2 result of any act or omission of the defendant, the property
3 described in paragraph 2, or any portion thereof: (a) cannot be
4 located upon the exercise of due diligence; (b) has been transferred,
5 sold to, or deposited with a third party; (c) has been placed beyond
6 the jurisdiction of the court; (d) has been substantially diminished
7 in value; or (e) has been commingled with other property that cannot
8 be divided without difficulty.

FORFEITURE ALLEGATION TWO

[18 U.S.C. § 924(d); 28 U.S.C. § 2461(c)]

1. Pursuant to Federal Rule of Criminal Procedure 32.2, notice is hereby given that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 924(d), and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction under Counts Nine or Ten of this Indictment.

2. Upon such conviction, defendant shall forfeit to the United States any firearms and ammunition involved in the commission of the offense, including, but not limited to:

a. one SWD model M-11, 9mm caliber semiautomatic pistol bearing serial number 89-0020304; and

b. one AR-type 5.56mm caliber semiautomatic pistol devoid of serial numbers or manufacturer markings.

3. Pursuant to Title 21, United States Code, Section 853(p), each defendant so convicted shall forfeit substitute property, up to the total value of the property described in paragraph 2 if, as the result of any act or omission of the defendant, the property described in paragraph 2, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION THREE

[18 U.S.C. § 982(a)(1)]

1 Pursuant to Federal Rule of Criminal Procedure 32.2, notice
2 is hereby given that the United States will seek forfeiture as part
3 of any sentence in accordance with Title 18, United States Code,
4 Section 982, in the event of any defendant's conviction under Counts
5 Twenty-Three or Twenty-Four of this Indictment.

6 2. Each defendant so convicted shall forfeit to the United
7 States any property, real or personal, involved in such offense, and
8 any property traceable to such property, including but not limited
9 to:

10 a. \$386,340.00 in U.S. Currency seized from Jun Zhang by
11 law enforcement on November 28, 2016;

12 b. \$8,170.00 in U.S. Currency seized by law enforcement
13 during the execution of a search warrant at a residence in Alhambra,
14 California on November 28, 2016; and

15 c. one 2014 Mercedes Benz E350 seized from Jun Zhang by
16 law enforcement on November 28, 2016.

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3. Pursuant to Title 21, United States Code, Section 853(p), each defendant so convicted shall forfeit substitute property, up to the total value of the property described in paragraph 2 if, as the result of any act or omission of the defendant, the property described in paragraph 2, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

A TRUE BILL



Foreperson

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